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Report- Comparison of two Hospitality Organisations

MARRIOTT HOTEL

Marriott International is a hotel and timeshare property operator, franchisor, and licensor. The business is divided into three reportable business segments: International, North American Full Service and North American Limited Service. In terms of available rooms, Marriott is one of the world's major hotel chains. It consists of 30 brands and 7,642 hotels spread over 131 countries and regions, totaling 1,423,044 rooms.

Total Revenue

Marriott's business strategy involves franchising or managing properties rather than owning them completely. The firm generates two types of revenue: Management Fee Revenues and Other Revenues. In the Management Fee Revenues, Marriott generates revenue from managing or franchising properties comprising of franchise fees, license fees and incentive management fees (Cleverism , n.d.). Marriott's total revenue can further be divided into the following segments: Revenue from cost reimbursement, Franchise fees, Base management fees and incentive management fees (Sahu, n.d.). In revenue from cost reimbursement the business receives reimbursement for certain expenditures on behalf of franchised, managed and licensed properties. For the franchise fees, Marriott hotel has a performance obligation to supply franchisees and operators with patent licenses in order for them to use other brand names in their franchised hotels.

As compensation for such services, they are normally eligible to one-time application expenses and ongoing royalty payments. For base management fees, the firm has performance obligations to offer hotel management services to its managed hotels, as well as a patent license to utilize their brand names. They are often eligible to base fees, which are calculated as a proportion of hotel income. Moreover, for incentive management fees, as a payment for their services, incentive fees are frequently based on a measure of the profitability of the hotel. They pay monthly incentive management fees depending on the profitability of each property during the term of the agreement.

Market Position

Marriott's positioning approach is brand expansion. This strategy of positioning entails introducing a new product to an existing line of items using the same brand. Marriott's long reputation for offering luxury comfort and elegance to every client, as well as being extremely trustworthy, served as the foundation for the company's growth. Sponsorships are a technique of brand extension used by Marriott. In order to improve its brand image, the hotel will sponsor an agency, a cause, or a sporting event(Kim, 2022). Marriott then collaborates with and sponsors a variety of organisations, including The Amazon Sustainable Foundation, The International Federation of Red Cross and Red Crescent Societies, Audubon, and others. All of these collaborations assist to improve Marriott's image, keeping its customers coming back to Marriott.

Growth Potential

Marriott is prepared to increase its luxury dominance with a record 42 luxury hotel partnerships announced last year, totaling approximately 8,000 rooms, and an unequalled portfolio of nearly 500 luxury hotels and resorts in 69 countries and regions. Moreover, Marriott sees the significant and fast paced growth from conversions. Particularly multi-unit conversion prospects. Marriott established a strategic partnership with Vinpearl in June to convert and build 2,200 rooms across eight hotels in Vietnam(Marriott International , 2023). Among the year's big events, Marriott revealed its intention to enter the popular inexpensive midscale market. Marriott intends to buy the highly recognized City Express brand portfolio through an arrangement with Hoteles City Express. When the purchase is completed, Marriott will be the largest hotel firm in the Caribbean and Latin America. In addition, the brand intends to strengthen its professional training program. To recruit newcomers while

maintaining current talented employees, the firm, one of the world's leading luxury hotel organisations, would give appropriate compensation and incentives, as well as equal chance in promotions. Marriott will offer training opportunities to interested students as well as increase the number of young trainees recruited from low-income households who may subsequently become full-time workers(Ajanapanya, 2023). To meet the aspirations of the younger generation, Marriott gives equal possibilities for them to progress to leadership rank through Marriott's leadership program.

Commitment to CSR

With the aim towards commitment to CSR, Marriott launched serve 360 along with the United Nations' Sustainable Development Goals (SDGs) in order to integrate responsible business operations(Green Key, 2018). This sustainability and social impact project is intended to support economic success while balancing the requirements of business partners, employees, consumers, owners, the environment, and communities. The project ensures obligations for 2025 that are: Reduction in carbon emissions by 30%, reduction in water usage by 15%, reduction of overall wastage by 45% and food wastage by 50% which is a good percentage to start with. Dedicating 15 million associate volunteer hours, in order to making the most out of and capitalizing the individual capabilities and key business competencies. Teach every employee to recognize the warning signs of human trafficking. Incorporate human rights factors into hiring and sourcing policies. Moreover, Marriott set an expedited aim of achieving worldwide gender parity in executive roles by 2023, two years ahead of the previous target, as well as a new objective of achieving 25% people of color representation in executive roles throughout the United States by 2025(Bethesda, 2021). The corporation has stated that by 2025, it hopes to have 3,000 diverse and women-owned hotels.

Recommendations

Despite the fact that Marriott is one of the world's leading hotel brands, there is always opportunity for development and innovation. With rising travel demand, the hospitality brand might face severe competition from rival hotels. As a result, hotels must incorporate the most recent hotel industry trends and technologies in order to remain competitive and attract more visitors. These may include: allowing direct reservations to avoid the certain percentage of profits that online travel companies

frequently impose. To make it work, Marriott must first modify the brand of its loyalty program so that customers see it as a reliable option as compared to online travel companies.

HYATT HOTELS

Hyatt Hotels Corporation, based in Chicago, is a worldwide hospitality business motivated by its purpose i.e. to care for people so they may be their best. The Company's portfolio comprises of 1,250 hotels and all-inclusive locations in 75 countries across six continents as of March 31, 2023 (Hyatt, 2019).

Total Revenue

Park Hyatt, Andaz, Hyatt, Grand Hyatt, and Hyatt Regency are the five established brands for Hyatt's full service hotels and resorts. Hyatt Place and Hyatt House are two of the company's premium service brands (Trefis, n.d.). An inclusive category, Hyatt Ziva and Hyatt Zilara, were introduced to the company's portfolio later on in 2013.

It has 3 Operating segments: Owned and leased Hotels, Management and Franchise Hotels, Corporate and Other. Owned & Leased Hotels comprise revenue from hotel operations such as room rents, meals and drinks and revenues from properties that the firm owns or leases. Revenue from properties where the firm has a long-term management arrangement or has franchised one of its brands is included in Management & Franchise Hotels. The revenues comprise expenditures paid by the firm on behalf of the property owners, such as payroll, marketing, loyalty programs, and so on. Revenue from partnered credit cards, Exhale, and other corporate operations are included in Corporate & Other. Besides, The Royalty Relief method is most typically used to estimate a hotel's brand value. This entails evaluating a brand's strength and projecting anticipated revenue to provide the organisation with a better understanding of its market position. Hyatt Hotels Corporation had a global brand value of 5.9 billion US dollars in 2022 (Statista Research Department, 2023). The number of Hyatt Hotels Corporation hotels globally rose to 1,100 in 2022. (Make changes, write proper revenue figure and compare it with the former hotel)

Market Position

The portfolio of Hyatt Hotels is well-positioned, as seen by its smart expansion, investments, and divestitures. Its switch to a fee-based model allows it to capitalize on additional opportunities (Anon., 2022). Leisure travel and increasing business travel may help maintain its expansion. Its use of a fee-based business model helps its market position by resulting in more consistent costs and expenses in the face of inflation. In response to rising costs and expenses, its pricing is flexible and competitive. It looks to be more viable, which helps sustain its growth. Hyatt is well-positioned to capitalize on these market prospects. Its continued growth and new business strategy will enable it to accommodate more customers.

Growth Potential

In the previous five years, Hyatt has doubled the number of luxury rooms, tripled the number of resorts, and quadrupled the number of lifestyle rooms in its portfolio, while expanding alongside heritage brands in the business travel category (Anon., 2023). Hyatt currently owns more premium branded hotels in resort destinations than any other hospitality brand on the entire world. With a record pipeline of nearly 117,000 rooms worldwide as of the end of the year 2022, Hyatt is poised for continuing transformative growth in 2023 as well. In particular, approximately one in every four pipeline properties is a lifestyle hotel, accounting for 10% of the existing base of hotels, bolstering Hyatt's dominant position in the luxury, lifestyle, and leisure categories (Janssen, 2023). The massive expansion of these high-value locations in Hyatt's portfolio broadens the customer experiences that can boost World of Hyatt loyalty penetration throughout the Hyatt portfolio. Furthermore, Hyatt Corporation intends to develop RiseHy by 2025. It's a new worldwide program that connects job possibilities in the hospitality sector with young people in need. Hyatt hotels throughout the world have committed to hire 10,000 Opportunity Youth (youngsters aged 16 to 24 who are neither in school nor working) as part of the project (Business Wire, 2018). The program includes three components: virtual reality, which raises awareness about hospitality vocations, digital skill matching, which prepares youngsters for success from the very beginning, and training programs with community-based organisations.

Financial Commitment to CSR

In relation to commitments to diversity, equity, inclusion and responsible business practice, Hyatt Hotels Corporation launched 'World of Care'. The launch of this platform is a great opportunity for Hyatt to support significant accomplishments and projects such as: For the very first time, sharing of precise workforce diversity data, new worldwide human trafficking training is being carried out, and working on the welfare of its employees throughout the world through a week of targeted programs and a new well-being exam. By making their diversity data public, Hyatt guarantees that diversity, equity and inclusion are more prioritized and incorporated across the company. Allowing Hyatt to genuinely represent the various communities it serves while contributing to a more equitable world. Hyatt launched human trafficking training in 2021 and made it obligatory for all colleagues globally (Hoplamazian, 2021). This training equips individuals of Hyatt's worldwide workforce at all levels and departments to recognize indicators of human trafficking and respond quickly to report and prevent them. Moreover, Hyatt has reached its greenhouse gas reduction objectives throughout its three business divisions by buying seafood more sustainably and setting sustainable development objectives with the World Wildlife Fund.

Recommendation

Outsourcing the hotel's technology management to a dedicated hotel technology provider can bring massive opportunities for Hyatt Hotels. At technologically-advanced hotels, time savings, reduced expenses, efficiency in operations, greater security, improved guest experiences, and more rapid service delivery may be immediately witnessed. As a new sort of tourist emerge in the coming decade, understanding and responding to this new hotel audience will be critical. Tourists who are tech-savvy are more educated, informed, and demanding. Hotel technology management businesses are readily providing their services in the hospitality sector to meet the need of these tourists.

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